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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION
ID #14463
RESOLUTION E-4753
December 3, 2015

R E S O L U T I O N

Resolution E-4753. Pacific Gas and Electric Company (PG&E) deviations to Net Energy Metering (NEM) forms pursuant to Senate Bill (SB) 862 for the California Department of Corrections and Rehabilitation (CDCR).

PROPOSED OUTCOME

- This Resolution approves deviations to PG&E Forms 79-978 and 79-992 applicable to CDCR.
- Approves PG&E Advice Letter 4724-E, and grants the relief requested by PG&E in that Advice Letter.

SAFETY CONSIDERATIONS

- The proposed deviations are only necessary to implement the unique NEM eligibility provisions granted CDCR by SB 862 and do not entail any novel safety considerations.

ESTIMATED COST

- Proposed deviations to PG&E Forms 79-978 and 79-992 include references to and provisions for CDCR's responsibility for identified interconnection facilities and distribution system upgrade costs, per SB 862, but entail no net costs to ratepayers.

By Advice Letter (AL) 4724-E filed on October 16, 2015.

SUMMARY

Pacific Gas and Electric Company (PG&E) requests approval of deviations to PG&E Forms 79-978, *Interconnection Agreement (IA) for Net Energy Metering (NEM) of Solar and Wind Electric Generating Facilities of 1,000 Kilowatts or Less, Other Than Facilities of 30 Kilowatts or Less (NEM IA)*, and 79-992, *Customer Generation Agreement (CGA) (Third Party Generator on Premises Non-Exporting)* to implement the NEM provisions of Senate Bill (SB) 862 for

the California Department of Corrections and Rehabilitation (CDCR). The proposed deviations are found to complete the implementation of the unique NEM eligibility provisions granted CDCR by SB 862, and are approved.

SB 862, signed into law by Governor Brown on June 20, 2014, amended Public Utility (PU) Code §2827(b)(4)(B) to extend NEM eligibility to CDCR-sited “renewable electrical generation technology, or a combination of renewable electrical generation technologies, with a total capacity of not more than eight megawatts (MW).” PG&E Advice Letter (AL) 4617-E, approved May 8, 2015, contained revisions to PG&E tariffs necessary to implement the modifications made to PU Code §2827 by SB 862 related to certain NEM provisions applicable to CDCR. However, as anticipated in AL 4617-E, PG&E believes deviations to PG&E’s standard NEM IA (Form 79-978) and CGA for Third Party Generators (Form 79-992) are necessary in order to reflect the specific study and cost responsibility provisions of SB 862 applicable solely to CDCR, and to allow the CDCR to authorize a single or multiple third-party producers to enter into the modified NEM IA. Such deviations were filed in PG&E AL 4724-E, are found to complete the implementation of the unique NEM eligibility provisions granted CDCR by SB 862, and are approved via this Resolution.

BACKGROUND

SB 862 extended NEM eligibility to the CDCR for up to 8 MW of on-site renewable electricity generation at a single facility.

On June 20, 2014, Governor Brown signed SB 862 into law, which, in part, added CDCR to the definition of an NEM-eligible customer-generator in PU Code §2827(b)(4)(B) when using a renewable electrical generation technology, or combination of technologies, with a total capacity of not more than 8 MW. The statute included unique provisions related to:

- Interconnecting renewable electrical generating facilities (REGFs) located on the CDCR’s owned, leased, or rented premises and operated in parallel with the electrical grid in order to offset part or all of the facility’s own electrical requirements;
- Limiting the instantaneous export of wind generation to 1.35 MW at all times;

- Affording an electrical corporation a prudent but necessary time to study the impacts of interconnecting an REGF at a CDCR facility with a capacity exceeding 1 MW; and
- CDCR's cost responsibility for upgrades to the transmission and distribution system, if any, arising solely from such an interconnection request as identified the aforementioned study.

PG&E AL 4617-E contained revisions to relevant PG&E tariffs to implement the modifications made to PU Code §2827 by SB 862.

PG&E filed Advice 4617-E on April 16, 2015 to implement the provisions of SB 862 in its relevant tariffs. Specifically, the following revisions were made to PG&E tariffs, which were approved by the California Public Utilities Commission (Commission) Energy Division on May 8, 2015 (effective May 16, 2015):

1. Electric Schedule NEM, *Net Energy Metering Service*

- Applicability section of Schedule NEM updated to include CDCR pursuant to Special Condition 8
- Special Condition 5.f revised to reflect CDCR's need to self-certify its Qualifying Facility status for net power production over 1 MW
- Special Condition 8 added to describe CDCR's NEM eligibility per PU Code §2827(b)(4)(B), and to describe the interconnection process for CDCR
- Grammar, spelling, punctuation, formatting and/or spacing corrections made throughout the Tariff, as necessary, for greater clarity.

2. Electric Rule 21, *Generating Facility Interconnections*

- Section D.13.e added to the Special Provisions Applicable to NEM Applicants section of Rule 21 to implement the specific interconnection provisions applicable to CDCR, as described in PU Code §2827(b)(4)(B)
- Section E.4, Interconnection Cost Responsibility, modified to reference the cost responsibility provisions specified in Section D.13.e. Similar clarifications are made to both Tables E.2 and E.3

- Grammar, spelling, punctuation, formatting and/or spacing corrections made throughout the Tariff, as necessary, for greater clarity.

PG&E AL 4724-E seeks approval of deviations to PG&E Forms 79-978 and 79-992 in order for CDCR to fully utilize the unique provisions of SB 862.

In PG&E AL 4617-E, PG&E recognized that, as an NEM-eligible customer-generator, CDCR should execute an NEM IA when interconnecting REGFs under the provisions of SB 862. However, PG&E acknowledged that deviations would be needed to PG&E's standard NEM IA because of the specific study and cost responsibility provisions enacted by SB 862. PG&E proposed to file the necessary deviations as a separate Tier 3 advice letter, pursuant to the provisions of Section 8.2.3 of General Order (GO) 96-B.¹ PG&E AL 4724-E, containing proposed deviations to Forms 79-978 and 79-992, was filed October 16, 2015.

NOTICE

Notice of PG&E AL 4724-E was made by publication in the CPUC's Daily Calendar. In accordance with Section IV of GO 96-B, PG&E served copies of this AL to the R.11-09-011, R.12-11-005, R.14-07-002, and GO 96-B service lists attached in PG&E AL 4724-E.

PROTESTS

PG&E AL 4724-E was not protested. CDCR submitted a response to PG&E AL 4724-E on November 3, 2015 expressing support of PG&E's proposed deviations to Forms 79-978 and 79-992. CDCR states that PG&E AL 4617-E sufficiently implemented all of the NEM eligibility provisions authorized in SB 862, except for the ability to install multiple REGFs at a single site. CDCR then maintains that it has and will continue to install renewable energy from a combination of technologies from different generators in order to fully take advantage of the power purchase agreement model recommended in the On-Site Renewable Energy Goal of Governor Brown's Executive Order (EO) EO-B-18-12 and the accompanying Green Building Action Plan. CDCR finds that the deviations to

¹ PG&E AL 4617-E, p. 4.

PG&E Forms 79-978 and 79-992 provide adequate allowances to satisfy CDCR's request for multiple generators to interconnect to the grid at a single facility while still providing for PG&E's need to maintain a safe and reliable grid, and thus requests Commission approval of PG&E AL 4724-E.

DISCUSSION

According to PG&E, deviations to PG&E Form 79-978, *Interconnection Agreement for Net Energy Metering of Solar or Wind Electric Generating Facilities of 1,000 Kilowatts or Less, Other Than Facilities of 30 Kilowatts or Less*, applicable solely to CDCR are necessary to create CGAs for single- and multi-party producer arrangements at CDCR facilities.

Form 79-978 is PG&E's standard NEM IA for customer-generators to interconnect and operate a solar or wind electric generating facility between 30 and 1,000 kilowatts in parallel with PG&E's distribution system. PG&E proposes two deviations to Form 79-978 applicable solely to CDCR: 1) Form 79-978B, which would serve as the CGA for a single-party producer (i.e., one behind-the-meter producer) at a CDCR facility; and 2) Form 79-978C, which would serve as a CGA for producers in a multi-party producer arrangement at a CDCR facility, in conjunction with Deviated Form 79-992, discussed below. The proposed deviations to Form 79-978 would entail the following changes:

1. Single Party Agreement – Form 79-978B

- Renamed: *Single Party Interconnection Agreement for Net Energy Metering of Solar or Wind Electric Generating Facilities of More Than 1,000 KW and Less than 8,000 KW (For Use by the California Department of Corrections and Rehabilitation)*;
- Makes generic edits for CDCR;
- Adds language in Sections 8 and 9 to reflect provisions for distribution and network upgrades in PU Code §2827(b)(4)(B)(ii);
- Adds a "Milestones" attachment as Appendix C to set critical milestones and party responsibility.

2. Producer Agreement – Form 79-978C

- Renamed: *Multi-Party Producer Customer Generation Agreement (3rd Party Generator on Premises) (For Use by the California Department of Corrections and Rehabilitation)*;

- Adds generic changes for CDCR;
- Adds Sections 8 and 9 to reflect provisions for distribution and network upgrades in PU Code §2827(b)(4)(B)(ii);
- Adds language to Section 10 to reflect Limitations to Liability and Assignment of Liability provisions for multi-party producer arrangements
- Revises Section 11 to reflect Insurance provisions for multi-party producer arrangements
- Adds a “Milestones” attachment as Appendix C to set critical milestones and party responsibility.

We agree with the need for the deviations to PG&E Form 79-978 and approve the requested revisions to the standard NEM IA, memorialized as PG&E Forms 79-978B and 79-978C provided in PG&E AL 4724-E.

According to PG&E, deviations to PG&E Form 79-992, *Customer Generation Agreement (Third Party Generator on Premises Non-Exporting)*, applicable solely to CDCR are necessary to enable a multiple third-party producer arrangement at a CDCR facility.

Form 79-992 is the standard CGA that allows a third-party producer to utilize a customer’s electrical facilities to interconnect and operate a generating facility in parallel with PG&E’s distribution system. PG&E proposes deviations to Form 79-992 in order to enable arrangements wherein multiple third-party producers can utilize CDCR’s electrical facilities to interconnect and operate generating facilities in parallel with PG&E’s distribution system, in conjunction with Deviated Form 79-978C described above. The proposed deviations to Form 79-992 would entail the following changes:

1. Host Agreement – Form 79-992A

- Renamed: *Multi-Party Host Customer Generation Agreement (3rd Party Generator on Premises) (For Use by the California Department of Corrections and Rehabilitation)*;
- Makes generic edits for CDCR;

- Adds language to Section 3 acknowledging the customer (CDCR) as the NEM-eligible host
- Adds an appendix for tracking each Producer Agreement
- Adds language to Section 5 regarding Assignment of Liability

We agree with the need for the deviations to PG&E Form 79-992 and approve the requested revisions to the standard NEM IA, memorialized as PG&E Form 79-992A provided in PG&E AL 4724-E.

According to PG&E, revisions to PG&E Schedule NEM, *Net Energy Metering Service*, are necessary to reference the three new deviated interconnection agreements.

Schedule NEM, *Net Energy Metering Service*, Special Condition 8 defines CDCR as a NEM-eligible customer-generator and describes the unique NEM provisions extended to CDCR by SB 862. PG&E proposes revisions to Special Condition 8 to reference the three new deviated interconnection agreements, stating that CDCR shall submit, along with the Interconnection Application Form 79-974, either the Single Party Agreement (Form 79-978B), or the Multi-Party Host Agreement (Form 79-992A) along with one or more Multi-Party Producer Agreement (Form 79-978C).

We agree with the need to reference to the three new deviated forms in PG&E Schedule NEM and approve the requested revisions to Schedule NEM, Special Condition 8 provided in PG&E AL 4724-E.

PG&E AL 4724-E meets the requirements of General Rule 8.2.3 of GO 96-B, completes the implementation of the unique NEM provisions applicable to CDCR as authorized by SB 862, and is approved.

General Rule 8.2.3 of G.O. 96-B sets forth that an energy utility may provide service to a government agency under terms and conditions otherwise deviating from their tariffs, and may begin provision of such service without prior Commission approval, but requires the utility to promptly submit an advice letter to notify the Commission of the utility's provision of such service.

In sum, we find that PG&E AL 4724-E was appropriately filed according to General Rule 8.2.3 of G.O. 96-B. The deviations to PG&E Forms 79-978 and 79-

992 filed in PG&E AL 4724-E represent modifications to the provision of service applicable solely to CDCR, a State government agency, and serve to fully implement the unique NEM provisions afforded CDCR by SB 862. For these reasons, the deviations to PG&E Forms 79-978 and 79-992, as well as modifications to PG&E's List of Contracts and Deviations² to account for the new deviated Forms 79-978B, 79-978C, and 79-992A are approved.

COMMENTS

No protests were received and CDCR filed a response in support of PG&E AL 4724-E. This is an uncontested matter in which the Resolution grants the relief requested. Accordingly, pursuant to PU Code §311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS AND CONCLUSIONS

1. SB 862 expanded the definition of a NEM-eligible customer-generator to include the CDCR with a total capacity of up to 8 MW.
2. PG&E AL 4617-E, approved by Energy Division on May 8, 2015, contained revisions to relevant PG&E tariffs to implement the modifications made to PU Code §2827 by SB 862.
3. PG&E AL 4724-E seeks approval of deviations to PG&E Form 79-978 and Form 79-992 in order for CDCR to fully implement the CDCR-specific provisions of SB 862.
4. Deviations to PG&E Form 79-978, *Interconnection Agreement for Net Energy Metering of Solar or Wind Electric Generating Facilities of 1,000 Kilowatts or Less, Other Than Facilities of 30 Kilowatts or Less*, applicable solely to CDCR are necessary to create CGAs for single- and multi-party producer arrangements at CDCR facilities.

² http://www.pge.com/notes/rates/tariffs/tm2/pdf/ELEC_CONTRACTS_CONTR_A_ND_DEV.pdf

5. Deviations to PG&E Form 79-992, *Customer Generation Agreement (Third Party Generator on Premises Non-Exporting)*, applicable solely to CDCR are necessary to enable a multiple third-party producer arrangement at a CDCR facility.
6. Revisions to PG&E Schedule NEM, *Net Energy Metering Service*, are necessary to reference the three new deviated interconnection agreements.
7. PG&E AL 4724-E meets the requirements of General Rule 8.2.3 of GO 96-B, completes the implementation of the unique NEM provisions applicable to CDCR as authorized by SB 862, and should be approved.

THEREFORE IT IS ORDERED THAT:

1. The request of Pacific Gas and Electric Company for Commission approval of deviations to Forms 79-978, *Interconnection Agreement for Net Energy Metering of Solar or Wind Electric Generating Facilities of 1,000 Kilowatts or Less, Other Than Facilities of 30 Kilowatts or Less*, and 79-992, *Customer Generation Agreement (Third Party Generator on Premises Non-Exporting)*, as well as revisions to PG&E Schedule NEM, to implement the Net Energy Metering provisions of Senate Bill 862 for the California Department of Corrections and Rehabilitation, as well as of modifications to PG&E's List of Contracts and Deviations, as filed in Advice Letter 4724-E, is granted.
2. Pacific Gas and Electric Company Advice Letter 4724-E is approved.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on December 3, 2015; the following Commissioners voting favorably thereon:

TIMOTHY J. SULLIVAN
Executive Director